

# We won't shrink from Brexit war

Pictures: DAVID HARTLEY, PA

By **Macer Hall** Political Editor

BRITAIN is ready to "fight back" against any attempt by Brussels to impose punishment for leaving the EU, Philip Hammond vowed yesterday.

In a stark warning to Brussels, the Chancellor warned the UK will not "slink off like a wounded animal" if negotiators demand a swingeing divorce fee from the bloc.

"British people have a great fighting spirit," he said.

He also promised that the Government will do "whatever we need to do" to make the country compete in the global market place in the event of an exit from the EU without a trade deal.

His remarks were seen last night as the toughest yet from a Cabinet minister ahead of the forthcoming Brexit negotiations.

They suggest that Theresa May is ready to talk tough with EU negotiators after her expected triggering of the Article 50 exit mechanism later this month.

On BBC One's Andrew Marr show yesterday, Mr Hammond said: "If there is anybody in the EU who thinks that if we don't do a deal with the EU, if we don't continue to work closely together, Britain will simply slink off as a wounded animal, that is not going to happen."

"British people have a great fighting spirit and we will fight back. We will forge new trade deals around the world. We will build our business globally."

"We will go on from strength to strength and we will do whatever we need to do to make the British economy competitive and

## 'Alternative to EU free trade deal is not Britain slinking off into a corner'

to make sure that this country has a great and successful future."

Asked if this meant the UK would slash business taxes to attract investment away from the EU, he said: "People can read what they like into it. I'm not going to speculate now on how the UK would respond to what I don't expect to be the outcome."

"But we are going into a negotiation. We expect to be able to achieve a comprehensive free trade deal with our European Union partners, but they should know that the alternative isn't Britain just slinking away into a corner."

Mr Hammond's outburst follows legal advice suggesting Britain cannot be forced to pay a penny to the EU after leaving the bloc.

A report from the House of Lords said international law did not oblige the UK to hand cash to Brussels if the country fails to agree an exit deal.

The report followed expectations that the EU's chief negotiator Michel Barnier plans to demand a "divorce" fee of up to £50billion when Article 50 is activated.

Speaking on the ITV's Peston On Sunday show, Mr Hammond said the UK would settle any legitimate outstanding debts but dismissed the £50billion figure.

"We are a country that very much abides by the rule of law. We meet our international obligations and if there are any outstanding dues that we are obliged to pay, of course we will pay them. That's the kind of country



**Philip Hammond sets out Brexit stance while, below, Theresa May attends church with husband Philip yesterday**



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we are. But I don't recognise any of these numbers," he said.

The Chancellor thought the figure was a maximum demand being made as a starting point for negotiations.

"We're on the brink of a negotiation, and I'm really not surprised. In fact I'd be surprised if people in the European Union weren't putting down very large numbers," he said.

"This is positioning ahead of a negotiation and we should see it exactly for what it is – a piece of pre-negotiation positioning."

Mr Hammond said his private talks with European ministers suggested a mood of realism about the talks had been growing among EU leaders since Mrs May set out her Brexit deal objectives in a keynote

speech in January. "I've spent a lot of time talking to European colleagues and I do think the mood music, the atmosphere has changed," he said.

"Whatever is being said publicly ahead of the negotiation, the private messaging is that people are now engaging with this more as a shared problem, something that we have to solve together."

"There are lots of European jobs at stake in relation to exports to the UK, trade with the UK, and there is an increasingly pragmatic approach."

"I feel confident that we are moving closer together, not further apart as we go through this process."

OPINION: PAGE 12

## Parliamentary revolt 'will harm our hand at EU'

REBEL MPs and peers were last night warned that a parliamentary revolt to delay Theresa May's Brexit plans could weaken Britain's position in the forthcoming EU negotiations.

Tory rebels are expected to join with Labour and Lib Dem MPs tomorrow to defeat the Government for a second time over the Prime Minister's EU withdrawal Bill.

They plan to amend the legislation to force a "meaningful vote" in Parliament on any final EU departure deal. A backbench rebellion was also understood to be growing with some Tory MPs ready to vote against the Government to uphold a Lords' amendment to the Bill guaranteeing the rights of more than three million EU citizens to stay in the country.

Commons Leader David Lidington yesterday insisted that attempts to tamper with the legislation could undermine hopes of agreeing a favourable trade deal with the EU.

He told the BBC One Sunday Politics show:

"Any idea that the PM's freedom to negotiation is limited, any idea that if the EU 27 were to play hardball that somehow means that Parliament would try to reverse the referendum verdicts, and to set aside the views of the British people, that would almost guarantee that it would be much more difficult to get the sort of ambitious, mutually beneficial deal for us and for the EU 27 that we want."



**Report, Baroness Prashar**

Former Tory chancellor Lord Lamont today warns in a speech that delays could hurt the UK's "national interests" in the negotiations. "Alterations to the Bill... will only complicate the task of the negotiators," he will say.

Anti-Brexit MPs and peers are today expected to seize on a Lords report claiming that ending free movement for EU citizens to come to the UK may not help cut immigration.

The report from the House of Lords EU Home Affairs Sub-Committee, published last night, said: "The restoration of national control over EU migration may or may not deliver a reduction in overall net migration."

Sub-Committee chief Baroness Prashar said: "The precise manner in which the Government proposes to 'end' free movement is a pivotal aspect of the United Kingdom's approach."

Migration from outside the EU was higher than from within until June 2016, despite the border controls already in force, the report said. Evidence for assessing the impact of ending free movement was so far "unreliable".

# Ukip leader attacks Labour 'smears'

UKIP leader Paul Nuttall yesterday accused Labour of an "orchestrated smear campaign" against him.

Mr Nuttall, who was defeated by Labour in last month's Stoke Central by-election, said claims that he lied about being present at the 1989 Hillsborough Stadium disaster were part of the plot.

Mr Nuttall apologised in the run-up to the poll over a false claim that he lost close friends in the tragedy.

But he told the BBC One Andrew Marr Show yesterday that allegations that he was not at the stadium were untrue. He said:

By **Macer Hall**

"There was an orchestrated smear campaign which I knew was coming from December which was suggesting that I wasn't actually at Hillsborough."

"Can I just put this on record because this is really important?"

When asked who was behind the alleged smear campaign, he said: "There was an orchestrated campaign which I knew was coming which was done by a political party. I'll leave it at that, okay?"

When asked if he was referring to

the Labour Party, he said: "Yes. I am actually. Yes, I am, okay?"

"I provided witness statements, I have given evidence to Operation Resolve and I'm prepared to stand in a witness stand in a court of law."

Mr Nuttall said people needed to get "perspective" on the issue.

"It's not as if I have lied about weapons of mass destruction. It's not as if I have taken us into an illegal war. It's not as if I've been caught in a paedophile ring," he said.

The Ukip leader acknowledged that the experience of fighting the

by-election had been bruising but insisted he was now more determined that ever to stay in his job.

He said: "I have never thought I was the wrong guy."

Ukip has descended into infighting after Nigel Farage called for the party's only MP, Douglas Carswell, to be ousted as a row flares over claims the MP played a role in blocking a knighthood for the former leader.

Mr Nuttall said: "He has put it in writing, let's see what happens. If it's proven that Douglas lobbied for Nigel to get a knighthood... then I don't see a problem."



**Claims... Paul Nuttall yesterday**